

NATIONAL RECOVERY ADMINISTRATION

AMENDMENT TO
CODE OF FAIR COMPETITION

FOR THE

FURNITURE AND FLOOR WAX
AND POLISH INDUSTRY

AS APPROVED ON JULY 12, 1934



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UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON: 1934

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Approved Code No. 224—Amendment No. 1

AMENDMENT TO CODE OF FAIR COMPETITION
FOR THE
FURNITURE AND FLOOR WAX AND POLISH
INDUSTRY

As Approved on July 12, 1934

ORDER

APPROVING AMENDMENT OF CODE OF FAIR COMPETITION FOR THE
FURNITURE AND FLOOR WAX AND POLISH INDUSTRY

An application having been duly made pursuant to and in full compliance with the provisions of Title I of the National Industrial Recovery Act, approved June 16, 1933, for approval of amendments to a Code of Fair Competition for the Furniture and Floor Wax and Polish Industry, and hearings having been duly held thereon and the annexed report on said amendments containing findings with respect thereto, having been made and directed to the President:

NOW, THEREFORE, on behalf of the President of the United States, I, Hugh S. Johnson, Administrator for Industrial Recovery, pursuant to authority vested in me by Executive Orders of the President, including Executive Order No. 6543-A, dated December 30, 1933, and otherwise; do hereby incorporate, by reference, said annexed report and do find that said amendments and the Code as constituted after being amended comply in all respects with the pertinent provisions and will promote the policy and purposes of said Title of said Act, and do hereby order that said amendments be and they are hereby approved, and that the previous approval of said Code is hereby modified to include an approval of said Code in its entirety as amended.

HUGH S. JOHNSON,
Administrator for Industrial Recovery.

Approval recommended:

GEO. L. BERRY,
Division Administrator.

WASHINGTON, D.C.,
July 12, 1934.

REPORT TO THE PRESIDENT

The PRESIDENT,
The White House.

SIR: A Code of Fair Competition for the Furniture and Floor Wax and Polish Industry was approved by me on January 23rd and became effective on February 2nd, 1934.

Since that time, it has been deemed advisable to bring under this Code three groups which are closely allied with the above Industry. These groups are the Household Lubricants and Penetrants, Silver and Metal Polish and Sweeping Compound Industries.

The Code Authority for the Furniture and Floor Wax and Polish Industry and the National Association of Chemical Specialty Manufacturers, Inc., claiming to represent seventy-eight (78%) percent of the Industry, submitted an application to include the three above mentioned groups under the approved Code. A Public Hearing on the proposed amendments was conducted in Washington, April 30th, 1934, in accordance with the provisions of the National Industrial Recovery Act.

By amending the definition of the Industry, the three groups have been included under the provisions of the Furniture and Floor Wax and Polish Code. The Code Authority has been enlarged to eight members in order that it may be truly representative of the Industry. Supplemental Code Authorities have been provided for the Silver and Metal Polish and the Sweeping Compound Divisions. Provision has also been made for the establishment of individual subordinate Code Authorities if at any time in the future additional related Industries or divisions are included under the provisions of the Furniture and Floor Wax and Polish Code. It has also been provided that the Administrator, after such hearings as he may deem proper, may require an appropriate modification of the composition and selection of the Code Authority or the subordinate Code Authorities. The Code has also been amended to allow the Code Authority and the several subordinate Code Authorities to collect expenses for the proper administration of the Code. The provision for Free Goods and Allowances has been amended so that the provision will not prohibit the gift of a product of the Industry or premiums to the ultimate consumer.

The Open Price Provision for the Furniture and Floor Wax and Polish Industry has been deleted, and in place thereof there has been inserted the Emergency Provision for the Sweeping Compound and Silver and Metal Polish Divisions. Standard Terms of Cash Discounts have been amended in order to avoid conflict with the various outlets through which the Industry sells its products. A new provision "Substitution of Goods", which applies to the Silver and Metal Polish Division, has been added.

THE INDUSTRY

A number of the Furniture and Floor Wax and Polish Industry members also manufacture one or more of the products of the Industries which are provided for in the amendments. The amendments will assure proper administration and tend to avoid conflict and overlapping of code provisions which might result under other circumstances. The hour and wage conditions of labor are also quite similar in all the groups.

There are about 150 establishments listed for the Household Lubricants and Penetrants Industry, only 20 of which are important in sales volume. Annual sales amounted to about \$1,000,000.

There are about 200 establishments in the Silver and Metal Polish Industry, 15 of which have a substantial sales volume and employ ten or more workers. Annual sales were about \$2,000,000 in 1929 and \$1,400,000 in 1933.

There are about 150 establishments included in the Sweeping Compound Industry, approximately 20 of which are important from the viewpoint of sales. Aggregate annual sales have been about \$2,000,000 in recent years.

ECONOMIC EFFECT OF THE AMENDMENTS

A considerable proportion of the employees engaged in the Household Lubricants and Penetrants Industry are engaged in such tasks as filling, labeling and packaging. Working hours ranged up to 48 per week prior to the President's Reemployment Agreement but have since been generally reduced to 40 per week with some small increase in employment. Minimum wage rates have generally been rather low, 30 cents per hour quite general at present. It is believed that the Code labor provisions will provide minimum wages at least equal to those of 1929, and payrolls will be increased an additional ten percent.

The number of employees in the Silver and Metal Polish Industry decreased from 1,150 in 1929 to 900 in 1932 but increased to about 1,000 in late 1933. Working hours formerly varied between 40 and 48 and were generally reduced to 40 under the President's Reemployment Agreement. Minimum wage rates, which, in some cases, formerly were as low as 20 cents per hour, now range from 30 to 40 cents. It is estimated that operations under the Code will lead to an increase of approximately ten percent in the Industry's payrolls.

The number of employees in the Sweeping Compound Industry remained about 300 during 1928-1933. It is estimated that payrolls will be increased about 20 percent with complete compliance with the Code's provisions.

FINDINGS

The Deputy Administrator in his final report to me on said amendments to said Code having found as herein set forth and on the basis of all the proceedings in this matter:

I find that:

(a) The amendments to said Code and the Code as amended are well designed to promote the policies and purposes of Title I of the

National Industrial Recovery Act including the removal of obstructions to the free flow of inter-state and foreign commerce which tend to diminish the amount thereof, and will provide for the general welfare by promoting the organization of Industry for the purpose of cooperative action of labor and management under adequate governmental sanction and supervision, by eliminating unfair competitive practices, by promoting the fullest possible utilization of the present productive capacity of industries, by avoiding undue restriction of production (except as may be temporarily required), by increasing the consumption of industrial and agricultural products through increasing purchasing power, by reducing and relieving unemployment, by improving standards of labor, and by otherwise rehabilitating Industry.

(b) The Code as amended complies in all respects with the pertinent provisions of said Title of said Act, including without limitation subsection (a) of Section 3, subsection (a) of Section 7, and subsection (b) of Section 10 thereof.

(c) The National Association of Chemical Specialty Manufacturers, Inc., was and is an industrial association, which, together with the Code Authority are truly representative of the aforesaid Industry and that said association and said Code Authority imposed and imposes no inequitable restrictions on admission to membership therein and has applied for these amendments.

(d) The amendments and the Code as amended are not designed to and will not permit monopolies or monopolistic practices.

(e) The amendments and the Code as amended are not designed to and will not eliminate or oppress small enterprises and will not operate to discriminate against them.

(f) Those engaged in other steps of the economic process have not been deprived of the right to be heard prior to approval of said amendments.

For these reasons, therefore, the amendments have been approved.

Respectfully,

HUGH S. JOHNSON,
Administrator.

JULY 12, 1934.

AMENDMENT TO CODE OF FAIR COMPETITION FOR THE FURNITURE AND FLOOR WAX AND POLISH INDUSTRY

Article II, the term "Industry" shall be amended to read as follows:

"The term 'Industry' as used herein includes the manufacture and/or packaging of products containing wax and/or oil compounds, as essential constituents, for use in the treatment of floors and furniture; lubricants, penetrants and the like commonly used for household or equivalent purposes and sold under trade names in small containers; compounds used for the purpose of cleaning and/or polishing metal surfaces, and such related industries as may from time to time be included under the provisions of this Code."

"The term 'Silver and Metal Polish Division' means that portion of the industry engaged in the manufacture and/or packaging of products used for cleaning or polishing fine or base metal surfaces."

"The term 'Sweeping Compound Division' as used herein means that portion of the Industry engaged in the manufacture of compounds used in sweeping floors."

Article VI, Section 1 (a), shall be amended to read as follows:

"(a) The Code Authority shall consist of eight (8) members of the Industry, or such other number as may be approved from time to time by the Administrator, to be elected by the Industry. The Administrator may appoint not more than three (3) additional members without vote to represent the Administrator, without compensation from the Industry."

Article VI, Section 1 (c) shall be deleted and the following shall be inserted in place thereof:

"Related industries or divisions which may from time to time be included under the provisions of this Code, with the approval of the Administrator, may establish their own subordinate Code Authorities which shall be independent and self-supporting and may deal under the supervision of the main Code Authority with the Administrator in respect to conditions or problems relating exclusively to said related industries. The subordinate Code Authority of such related industries shall be entirely responsible for the administration of this Code in their respective Divisions."

"1. The following subordinate Code Authorities are hereby constituted:

"(a) The Silver and Metal Polish Subordinate Code Authority which shall consist of three (3) members to be selected by the members of that Division by a fair method of election approved by the Administrator.

"(b) The Sweeping Compound Subordinate Code Authority which shall consist of three (3) members of that Division by a fair method of election approved by the Administrator."

Article VI, Section 1 (e) shall be amended to read as follows:

"(e) In order that the Code Authority and the Subordinate Code Authorities shall at all times be truly representative of the Industry and in other respects comply with the provisions of the Code, the Administrator may prescribe such hearings as he may deem proper; and thereafter, if he shall find that the Code Authority and/or the subordinate Code Authorities are not truly representative or do not in other respects comply with the provisions of the Code, may require an appropriate modification of the composition and selection of the Code Authority or subordinate Code Authorities."

Article VI, Section 2 Subsection (d) shall be deleted and the following substituted therefor:

"(1) It being found necessary in order to support the administration of this Code and to maintain the standards of fair competition established hereunder and to effectuate the policy of the Act, the Code Authority and the several subordinate Code Authorities are authorized:

"(a) To incur such reasonable obligations as are necessary and proper for the foregoing purposes, and to meet such obligations out of funds which may be raised as hereinafter provided and which shall be held in trust for the purposes of the Code;

"(b) To submit to the Administrator for his approval subject to such notice and opportunity to be heard as he may deem necessary

"(1) An itemized budget of its estimated expenses for the foregoing purposes, and

"(2) An equitable basis upon which the funds necessary to support such budget shall be contributed by members of the Industry under its jurisdiction;

"(c) After such budget and basis of contribution have been approved by the Administrator, to determine and obtain equitable contributions as above set forth by all members of the Industry under its jurisdiction, and to that end, if necessary, to institute legal proceedings therefor in its own name.

"(2) Each member of the Industry shall pay his or its equitable contribution to the expenses of the maintenance of the Code Authority, and/or his Subordinate Code Authority, determined as hereinabove provided, and subject to rules and regulations pertaining thereto issued by the Administrator. Only members of the Industry complying with the Code and contributing to the expenses of its administration as hereinabove provided, shall be entitled to participate in the selection of members of the Code Authority and the appropriate Subordinate Code Authority or to receive the benefits of any of their voluntary activities or to make use of any emblem or insignia of the National Recovery Administration.

"(3) The Code Authority and the Subordinate Code Authorities shall neither incur nor pay any obligation in excess of the amount thereof as estimated in its approved budget, except upon approval of the Administrator; and no subsequent budget shall contain any deficiency item for expenditures in excess of prior budget estimates except those which the Administrator shall have so approved."

Article VIII, first paragraph shall be amended to read as follows:

"The following practices constitute unfair methods of competition for members of the Industry and are prohibited, except for

products of the Silver and Metal Polish and Sweeping Compound Divisions of the Industry sold for export trade as defined in the Export Trade Act adopted April 10, 1918."

Article VIII, Section 6, shall be amended to read as follows:

"6. *Free Goods and Allowances*.—The offering or giving of free goods. This provision shall not apply to the gift of a product of the Industry or premiums to the ultimate consumer; materials marked 'sample', 'not for sale', or similarly designated. This provision shall not be construed to prohibit any advertising allowance which is made for a definite service rendered and for which there is a proper auditable accounting as a direct charge for cooperative advertising."

Article VIII, Section 11, shall be deleted and the following inserted therefore:

"11. *Emergency Provisions—Sweeping Compound and Silver and Metal Polish Divisions*.—(a) If the Administrator, after investigation shall at any time find both (1) that an emergency has arisen within the Industry adversely affecting small enterprises or wages or labor conditions, or tending toward monopoly or other acute conditions which tend to defeat the purposes of the Act; and (2) that the determination of the stated minimum price for a specified product within the Industry for a limited period is necessary to mitigate the conditions constituting such emergency and to effectuate the purposes of the Act, the Subordinate Code Authority of the Division affected may cause an impartial agency to investigate costs and to recommend to the Administrator a determination of the stated minimum price of the product affected by the emergency and thereupon the Administrator may proceed to determine such stated minimum price.

"(b) When the Administrator shall have determined such stated minimum price for a specified product for a stated period, which price shall be reasonably calculated to mitigate the conditions of such emergency and to effectuate the purposes of the National Industrial Recovery Act, he shall publish such price. Thereafter, during such stated period, no member of the Industry shall sell such specified products at a net realized price below said stated minimum price and any such sale shall be deemed destructive price cutting. From time to time, the Subordinate Code Authority of the Division affected may recommend review or reconsideration or the Administrator may cause any determinations hereunder to be reviewed or reconsidered and appropriate action taken. The provisions of this Section shall not apply to the Furniture and Floor Wax and Polish Division of the Industry."

Article VIII, Section 14 shall be amended to read as follows:

"14. *Standard Terms of Cash Discounts*.—No member of the Industry shall allow a discount for early payment greater than 2% of the amount of the invoice after deduction of quantity discounts and transportation charges.

"1. On invoices dated before the 25th of the month, for payment on or before the 10th of the month following; net thereafter.

"2. On invoices dated on or after the 25th of any month for payment on or before the 10th of the second month following; net thereafter.

"Provided that for products of the Sweeping Compound Division shipped in solid or pooled carloads, or truckloads in excess of seven (7) tons, there may be permitted split datings of 30, 60, and 90 days allowing payment of the amount of the invoice for such shipment in three equal installments."

There shall be a new section known as *Section 16 of Article VIII.*

"16. *Substitution of Goods—Silver and Metal Polish Industry.*—No member of that Division shall take in exchange for his or its own goods, similar products of another manufacturer, distributor or dealer."

Approved Code No. 224—Amendment No. 1.
Registry No. 625-02.







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